

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

**Release Number: 201143026
Release Date: 10/28/2011
Date: August 1, 2011**

Employer Identification Number:

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LEGEND

UIL 4945.04-04

B = program 1
C = program 2
D = organization
E = organization
F = organization
G = program 3
H = program 4
J = organization
K = organization
L = organization
M = website
N = website
P = program 5
r = dollar amount
s = dollar amount
t = dollar amount
u = dollar amount
v = dollar amount
w = dollar amount

Dear

We have considered your request for advance approval of your awards and scholarships programs under section 4945 (g)(1) and 4945(g)(3) of the Internal Revenue Code, dated August 5, 2010.

Our records indicate you were recognized as exempt from federal income tax under section 501(c)(3) of the Code and are classified as a private foundation as defined in section 509(a).

You will operate a high school student scholarship program called G, a teacher program called H, and a classroom program called C.

All of your programs will be publicized through many channels including your website and various publications. Recipients will need to visit either M or N to apply.

Your program under section 4945(g)(1) called G is administered in part by J. The objective is for teachers, mentors, or other adults to work with and supervise teams of two to four eligible students taking part in a contest. The goal of the contest is for teams to identify an environmental problem, provide a plan to positively impact the issue, and encourage the expansion or replication of the plan in the team's community and beyond. You may from year-to-year select a theme for the environmental problem. Contest entries must be submitted online by the team's teacher or mentor.

The teacher or mentor must visit your website, M, to access the entry form and must complete the required information about the team. The entries must be received by the prescribed deadline. You and other national educational institutes will publicize the contest.

Children and siblings of employees of J and K, or their subsidiaries, agencies, and affiliates may participate but are not eligible to win a prize. Employees of J and K, their subsidiaries, affiliates, contest administrator, advertising and promotion agencies and members of the immediate families and persons living in the same household of such individuals are not eligible to be a teacher or mentor.

Judges are selected based on subject matter expertise and project geographic relevance based on the area of project submissions. Judging for G happens in several ways. In the first round, the entries will be judged by a panel of judges from J and its partner organizations, educators, science professionals, and L based on the following criteria:

- Environmental issue or problem will account for 10% of the total score. How well does the entry describe the negative effects of an environmental issue or problem with implications beyond the immediate community which would be regional, national, global, and its proposed solution?
- Engagement will account for 10% of the total score. How effective was the team in generating awareness and action in others?
- Creativity and innovation will account for 10% of the total score. Is the entry original and creative in its communication, and does it take advantage of a variety of resources and combine them in an effective way?
- Scientific Approach will account for 45% of the total score. Is the issue or problem well researched, and is research evidence cited in proposing a solution? Is the plan thoughtfully developed and clearly written, including carefully specified materials and detailed, sequential procedures? Are analyses based upon quantitative and qualitative data?
- Replication and expansion "How could the solution be replicated?" will account for 25% of the total score. Does the team give recommendations on how others could use, improve upon, and expand the entry content? Was the team successful in influencing others and/or persuading them to replicate or expand on the project?

The judges will score each entry and select one team from each state and District of Columbia. Each of those teams will be named the state winner. In the event of a tie the entry with the highest combined "replication and expansion" and "scientific approach" score will be named the winner. If an insufficient number of qualified entries is received from any state, K may award fewer than fifty-one state winners.

Each state winner will be evaluated by a second panel of judges from K and its partners. Using the same judging criteria, the second round judges will score each state winner entry and select first, second, and third place winners. In the event of a tie, the entry with highest combined "replication and expansion" and "scientific approach" score will be named the winner. If an insufficient number of qualified entries is received, K may award less than the stated number of team and teacher or mentor prizes.

First place winners will receive r in scholarship funds which will be divided equally between the student members of the team. In addition each student member will receive a two to four day expense paid education themed trip within the continental United States. The trip would be similar to a trip to a United Nations event and give the student a chance to tell their story. The team's school will receive a grant of s and a one year subscription to P. The teacher or mentor will receive a free registration to a national conference which would include hotel accommodations. The teacher or mentor will receive the trip as well as the student; they will be the chaperones for the students on any of their prize trips. The trip includes round-trip coach air fair for one person, hotel accommodations, activity fees, meals, and ground transportation.

Second place winners receive t in scholarship funds to be divided equally between the student members of the team. The school associated with the second place team will receive a grant of u and a one year subscription to P. The teacher or mentor will receive a free registration to a national or regional conference along with hotel accommodations for two nights.

Third place winners receive v in scholarship funds to be divided equally between the student members of the team. The school associated with the third place team will receive w and a one year subscription to P. The teacher or mentor will receive a free registration to a national or regional conference and hotel accommodations for one night.

State winners will receive a prize package. Each teacher or mentor will receive a membership to K and a prize package. Each school associated with a winning state team will receive a one year subscription to P.

After state winners have been determined, at J's sole discretion, one or more of the next highest scoring entries may be awarded an honorable mention prize. Each member of the team will receive a prize package. The teacher or mentor will receive a K prize package. The school will receive a one year subscription to P.

Scholarship funds received by first, second, and third place recipients must be used for tuition and fees required for enrollment, fees, books, supplies, and equipment required for all courses of instruction at the school that are required for graduation, on-campus room and board, or cost associated with a winner's participation in scientific research at the institution in which the winner is enrolled, within, or beyond his/her regular courses of curriculum. Scholarship funds will be given directly to the accredited undergraduate or graduate college or university the student selects. In order to continue receiving the scholarship, the student must be enrolled full-time and making satisfactory academic progress toward a degree. The scholarship will be forfeited if returned to J due to non-enrollment of winner if not used within twelve years of winner's high school graduation date. You, or the administrator, will maintain detailed records of the amount disbursed to any school for any winning student, the student's remaining balance, and any information

received from the school regarding the student's progress. You will investigate any misuse of funds. There is no prohibition on entering the contest in successive years.

There are two subprograms under H: One of these programs is called B and the other is C. The goal of the program is to provide opportunities to teachers from a broad and diverse spectrum of schools. Your rules state that once a recipient has attended either B or C, they may not attend that same program again. Your employees are kept informed of the progress made by the selected teachers during their participation in the programs. You will maintain any necessary information regarding the selected teachers as well as their participation in the programs.

B is administered in part by F. B is a two week all expense paid residential professional development program for middle and high school teachers to engage in mentored research at E. E is a large, multi-purpose, national research laboratory, specializing in areas such as neutron science, biological systems, energy, chemical sciences, nuclear physics, and high performance computing.

B provides selected teachers the opportunity to engage with top scientists and researchers on short-term research projects about current topics of national interest that are related to ongoing research at the laboratory. E mentor scientists will design short term research projects on current topics of national interest that are related to ongoing research at the laboratory. Working in teams of 4 to 5, teachers will collaborate with E scientific teams to conduct assigned research projects. The D program teachers at E will provide additional leadership and resources to help participating teachers incorporate research into their science and math classrooms. Teachers will also participate in additional educational enhancements in the form of seminars, mini-workshops, tours, and field trips to focus and expand the research experience. Recipients will receive paid travel, lodging and meals, paid entrance fees for field trips and cultural activities, as well as a stipend and grant to purchase equipment and/or supplies for their classrooms. E will provide each winner with a written estimate of the program's fair market value for the winner to use in connection with the preparation of his/her personal income tax returns for the year that includes the program.

For a teacher to be selected, he/she has to meet certain criteria:

- Be employed as a full-time teacher in the application school year and intend to continue teaching in the immediately following school year;
- Teach science, technology, engineering or mathematics courses;
- Teach in any or a combination of grades 7 through 12;
- Hold current state teaching certification in middle school and/or high school science, technology, engineering or mathematics;
- Have a strong academic background in science, technology, engineering or mathematics;
- Have a strong desire to improve teaching and learning in the classroom through research and inquiry-based instruction;
- Have submitted at least one online third-party reference;
- Be a US Citizen or a Permanent Resident Alien.

To apply teachers must go to D's website, N, and complete the online application. Recipients will be chosen by their responses on the application form, references, and school and community demographics. Your goal is to provide opportunities to teachers from a broad spectrum of schools to include diversity in size, private vs. public, rural vs.

urban, and socioeconomic backgrounds of student populations and communities; therefore, teachers from all venues of schools and communities are encouraged to apply.

The judges will score various components of each candidate's application. The candidate would be scored on a scale of one to four, with four being the highest, based upon the candidate's third-party references. Each of the candidate's four essays would be evaluated by the judges and scored on a scale of one to ten, with ten being the highest. The highest scoring teachers will then be evaluated and final selections will be based upon the goal of seeking to maximize diversity. The criteria such as the percentage of minority students in the teacher's school district, the type of school (public vs. private vs. charter, etc), the type of community (urban vs. rural vs. suburban), the number of students qualifying for free or reduced-priced lunch would be taken into consideration in making the final selections. Judges will consist of educationally qualified staff from F and L. At least two judges will review the applicant. All judges will review the top scoring candidates and arrive at a consensus for final selection based on the diversity goals of the program. Recipients will be notified via email notification. The teacher must decide to accept the opportunity to participate in the program and must notify F of their decision by a specified date which is approximately two weeks after the email notification.

C is an immersion program that promotes hands-on, real-world integration in the classroom. Fifty teachers will be selected annually to attend a week-long professional development experience, hosted at J headquarters. The teachers will be exposed to leading scientists, thought-leaders, personalities and innovators whose work across disciplines shapes and define our world today. The week will be filled with guest speakers at the forefront of the program, field trips to leading institutions where the teachers will observe real-world applications of subject matter, and opportunities for networking and collaborating with peers from across the nation. In addition to broad-based applications, each teacher will be assigned to a thematic working group that will provide additional deep-dive exposure. C is administered in part by J. You operate the program and will disburse the scholarships directly to the winning students selected Colleges or Universities, will monitor such disbursements and ensure that the student is enrolled full-time and making satisfactory academic progress towards a degree at that school. J supports you by administering certain aspects of the program. You pay J a fee to support you by providing publicity and promotion for the program and administering certain other details of the program including collecting submissions and arranging judging. J, in turn, retains the College Board to assist it with judging the competition. However, ultimate operation, responsibility and ownership of the program belong to you.

The selected teachers will receive paid travel, lodging and meals during the program as well as all program fees. At the program conclusion, J will provide each winner with a written estimate of the program's fair market value for the winner to use in connection with the preparation of his/her personal income tax returns for the year that includes the program.

To be eligible for the program a teacher must meet the following criteria:

- Be employed as a full-time teacher in the applicable school year and intend to continue teaching in the immediately following school year;
- Teach science, technology, engineering or mathematics courses;
- Teach in any or a combination of grades 7 through 12;

- Hold current state teaching certification in middle school and/or high school science, technology, engineering or mathematics;
- Have a strong academic background in science, technology, engineering or mathematics;
- Have a strong desire to improve teaching and learning in the classroom through research and inquiry-based instruction;
- Have submitted at least one online third-party reference;
- Be a US Citizen or a Permanent Resident Alien.

Teachers who are interested in C would visit your website at K to complete the on-line application form. Your goal is the same as for B. The judges will score various components of each candidate's application. The candidate would be scored on a scale of one to four, with four being the highest, based upon the candidate's third-party references. Each of the candidate's four essays would then be evaluated by the judges and scored on a scale of one to ten, with ten being the highest. The highest scoring teachers would then be evaluated and final selections will be based upon the goal of seeking to maximize diversity. Thus, such criteria as the percentage of minority students in the teacher's school district, the type of school, private vs. public vs. charter etc., the type of community, urban vs. rural, vs. suburban, the number of students qualifying for free or reduced-priced lunch would be taken into consideration in making the final selections.

Judges would consist of educationally qualified staff from J and L. At least two judges will review each applicant. All judges will review the top scoring candidates and arrive at a consensus for final selection based on the diversity goals of the program.

Selected teachers will receive an email notification. If the teacher decides to participate in the program, they are asked to notify J of their decision by a specified date which is approximately two weeks after the email notification.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or

- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your scholarship and award programs will be conducted as proposed with objectivity and nondiscrimination in awarding funds, we determined that your procedures comply with the requirements of section 4945(g)(1) and 4945(g)(3) of the Code and that scholarships and awards granted according to these procedures will not be "taxable expenditures" within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants or awards will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your grant-making procedures is a one-time approval of your system standards and procedures that will result in grants and loans which meet the requirements of section 4945(g)(1) and 4945(g)(3) of the Code. This determination only covers the programs described above. Thus, approval shall apply to succeeding programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all grant distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

A copy of this letter has been sent to your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois Lerner
Director, Exempt Organizations

Enclosure
Notice 437
Redacted copy of letter